



TESTIMONY IN SUPPORT OF S.B. 1178
An Act Expanding Connecticut Paid Sick Days

TO: Hon. Julie Kushner and Emmanuel Sanchez, Co-Chairs; Rob Sampson and Tim Ackert, Ranking Members; and members of the Connecticut General Assembly Labor and Public Employees Committee

FROM: Sharita Gruberg, Vice President for Economic Justice, National Partnership for Women & Families

DATE: March 9, 2023

The National Partnership for Women & Families appreciates the opportunity to testify in support of Senate Bill No. 1178, An Act Expanding Connecticut Paid Sick Days. The National Partnership is a nonprofit, nonpartisan advocacy group that has more than 50 years of experience in combatting barriers to opportunity for women workers, such as sexual harassment and other forms of sex discrimination and gender-based violence. The National Partnership works for a just and equitable society in which all women and families can live with dignity, respect, and security; every person has a fair chance to achieve their potential; and no person is held back by discrimination or bias. For over a decade, we have worked closely with lawmakers and advocates to craft strong, effective paid sick days legislation and to track the lessons learned from each new law's implementation.

Our support for S.B. 1178 is based on our understanding of the problems that workers, families, businesses and communities face when people do not have access to paid sick days, especially in the wake of an unprecedented public health crisis; the experiences of other jurisdictions that have adopted laws allowing workers to earn paid sick days; and a growing body of evidence showing the benefits and impacts of paid sick days.

In 2011, Connecticut made history by becoming the first state in the country to enact a paid sick days law. Since then, dozens of states and localities have followed suit, resulting in millions of workers gaining access to this critical lifeline. These laws enable workers to take paid time away from work to deal with the health and safety needs of themselves and their family members, and have reaped substantial benefits for workers, businesses and public health.

However, Connecticut's law included substantial carve outs and limitations that reduced its reach and effectiveness. Subsequent states, counties and cities have opted not to include these carve outs, meaning that Connecticut's law is now the most restrictive paid sick days law in the country.¹ These limitations include the following:

- The law completely exempts businesses with fewer than 50 employees. In contrast, the majority of states with paid sick days laws require businesses of all sizes to provide paid sick time, and the remaining states require small businesses to at least provide job-protected unpaid time off. In addition to excluding a substantial portion of the population, this exemption also makes working

¹ National Partnership for Women & Families. (2022, November). *Paid Sick Days Statutes*. Retrieved 7 March 2023, from: <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/paid-sick-days-statutes.pdf>

for a small business less attractive to prospective job applicants and may create a disincentive to work there.

- The law only covers employees who work in specified service occupations, work for at least 10 hours per week on average, and are paid on an hourly basis and not exempt from federal minimum wage and overtime requirements. Every other state and local paid sick days law applies universally to workers in almost every occupation, with only narrow exceptions for legal or technical reasons.
- Covered workers are only eligible to use their accrued paid sick time after they've worked 680 hours, leaving the time inaccessible to many part-time workers or those with multiple jobs. Other states either have no waiting period, or base the waiting period on number of days worked rather than number of hours, meaning that part-time workers will not have a longer waiting period than those working full time.
- Safe leave, meaning leave to deal with family violence or sexual assault, is only available when the employee themselves is the victim, in contrast to nearly every other state where the employee can also take safe leave when their family member is dealing with such violence.
- The law only allows time to care for a limited range of family members, namely a minor child or a spouse, defined as husband or wife. Every other state law allows leave to care for a parent, and all but one go beyond immediate family to more closely reflect the broad and diverse variety of family caregiving, covering such family members as grandparents, siblings or chosen family.

The result of these restrictions is that the vast majority of Connecticut workers remain unprotected by the law,² leaving them unable to care for themselves or their families without risking their financial stability. S.B. 1178 would eliminate these restrictions, as well as raising the total amount of yearly paid sick time from forty hours to eighty hours and adding leave to deal with public health emergencies, all of which would make Connecticut's law one of the best paid sick days laws in the country. Although the other paid sick days bill being heard today, Governor's Bill No. 6668, would partially address some of these issues, it still leaves major gaps in employer coverage, waiting period and family member definition, and would only bring Connecticut's law to the middle of the pack nationally. The comparison to other states is especially relevant given the several nearby states that also have paid sick days laws in place, namely Massachusetts, New York, New Jersey, Rhode Island and Vermont. In a tight labor market, paid sick days are an essential part of ensuring that Connecticut is competing with neighboring states for the best employees.

A strong paid sick days law would better enable the state to realize the myriad benefits to businesses and the economy that paid sick days create. Paid sick days can improve workplace attachment and reduce turnover costs, a major boon in today's labor market. Replacing workers can cost businesses anywhere from 16 to 200 percent of annual compensation.³ Paid sick days reduce turnover, which leads to reduced costs incurred from advertising, interviewing and training new hires.⁴ This is particularly important in lower-wage industries where turnover is highest. A study of restaurant industry practices found that

² National Partnership for Women & Families. (2022, November). *Connecticut Workers Need a Stronger Paid Sick Leave Law*. Retrieved 7 March 2023, from: <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/connecticut-stronger-paid-sick-leave.pdf>

³ Boushey, H., & Glynn, S. J. (2012, November 16). *There Are Significant Business Costs to Replacing Employees*. Retrieved 7 March 2023, from Center for American Progress website: <https://www.americanprogress.org/wpcontent/uploads/2012/11/CostofTurnover.pdf>

⁴ Siegwirth Meyer, C., Mukerjee, S., & Sestero, A. (2001, Spring). Work-Family Benefits: Which Ones Maximize Profits?, *Journal of Managerial Issues*, 13(1), 28-44.

implementing better workplace practices, including paid sick days, can reduce turnover by 50 percent.⁵ In Austin, Texas, a cost benefit analysis of the citywide paid sick days ordinance showed that on net, city businesses stand to save \$4.5 million annually, largely as a result of reduced employee turnover.⁶ In addition, the community stood to save \$3.8 million per year due to reduced flu contagion, fewer emergency room visits and other public health benefits.⁷

Paid sick days also increase worker productivity. Paid sick days help to reduce the productivity lost when employees work sick – known as “presenteeism” – which is estimated to cost the national economy \$160 billion annually or about \$271 billion when adjusted for inflation, surpassing the cost of absenteeism.⁸ Most human resources executives agree that presenteeism is a problem because of potential productivity loss (averaging 20 percent for an employee working while sick)⁹ and the risk of spreading infection.¹⁰

The disease and illness prevention enabled by paid sick days also benefits businesses. Employees who are forced to go to work sick endanger public health by putting the health and productivity of other workers – as well as customers and the public – at risk, which carries an economic burden for employers. Providing paid sick days could save employers up to \$1.8 billion each year through fewer absences from reduced spread of flu-like illnesses alone.¹¹ In a survey of women fast food workers, for example, the vast majority – 86 percent – said they lack access to paid sick days, and 7 in 10 report going to work at least once in the previous year while coughing, vomiting, or having a fever or other serious symptoms.¹² This puts workers, customers and the business itself in danger, and just one outbreak can do irreparable harm to a business’s reputation.

⁵ Batt, R., Lee, J. E., & Lakhani, T. (2014, January 15). *A National Study of Human Resource Practices, Turnover, and Customer Service in the Restaurant Industry*. Restaurant Opportunities Centers United Publication. Retrieved 7 March 2023, from Cornell University School of Industrial and Labor Relations website: <https://archive.ilr.cornell.edu/sites/default/files/National-Study-of-Human-Resource-Practices-High-Turnover-and-Customer-Service-in-the-Restaurant-Industry.pdf>

⁶ Milli, J. (2018, February 12). *Valuing Good Health in Austin, Texas: The Costs and Benefits of Earned Sick Days*. Retrieved 7 March 2023, from Institute for Women’s Policy Research website: <https://iwpr.org/iwpr-publications/briefing-paper/valuing-good-health-in-austin-texas-the-costs-and-benefits-of-earned-sick-days/> (Report estimates that city businesses will save \$4.5 million annually largely because cost savings due to reduced turnover would exceed the expected costs of providing paid sick days; savings are net savings)

⁷ Ibid.

⁸ Stewart, W. F., Ricci, J. A., Chee, E., Morganstein, D. (2003, December). Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit. *Journal of Occupational and Environmental Medicine*, 45(12), 1,234- 1,246. Retrieved 7 March 2023, from the National Partnership for Women & Families website: <http://www.nationalpartnership.org/research-library/work-family/psd/lost-productive-work-time-american-productivity-audit.pdf> (Unpublished calculation based on \$225.8 billion [in 2002 dollars] annually in lost productivity, 71 percent due to presenteeism). Inflation calculation for 2023 dollars based on calculation of \$160.32 billion in 2002 dollars using Bureau of Labor Statistics CPI Inflation Calculator available at https://www.bls.gov/data/inflation_calculator.htm

⁹ Maestas, N., Mullen, K. J., & Rennane, S. (2018, August). *Absenteeism and Presenteeism Among American Workers*. Paper presented at the 6th Annual Meeting of the Disability Research Consortium, Washington, D.C. Retrieved 7 March 2023, from National Bureau of Economic Research website: <http://www.nber.org/2018drc/summaries/1.1-Maestas,%20Mullen,%20Rennane.pdf>

¹⁰ CCH Incorporated. (2006, October 26). *CCH Survey Finds Unscheduled Absenteeism Up in U.S. Workplaces*. Retrieved 7 March 2023, from: <http://www.cch.com/press/news/2006/20061026h.asp>; see also Kaplan, S., DeShon, R. P., & Tetrick, L. E. (2017). *The Bigger Picture of Employee Well-Being: Its Role for Individuals, Families and Societies*. Society for Human Resource Management and Society for Industrial and Organizational Psychology Publication. Retrieved 7 March 2023, from https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/Documents/2017%2002_SHRM-SIOP%20Employee%20Well-being.pdf

¹¹ Asfaw, A., Rosa, R., & Pana-Cryan, R. (2017, September). Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness. *Journal of Occupational and Environmental Medicine*, 59(9), 822-829. doi: 10.1097/JOM.0000000000001076

¹² Hart Research Associates. (2016, November 11). *Survey Findings on Sick Days for Women Fast Food Workers*. Nationwide online survey of 1,217 women age 16 and older who work in fast food restaurants in a non-managerial position, conducted from July 22 to 27, 2016. Retrieved 7 March 2023, from National Partnership for Women & Families website: <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/hart-research-survey-findings-on-sick-days-for-women-fast-food-workers.pdf>

Finally, paid sick days reduce overall health care costs, which translates to lower health insurance costs for businesses: Working adults without paid sick days are more likely to incur high family medical expenses.¹³ Workers without paid sick days are twice as likely as those with paid sick days to seek emergency room care for themselves because they can't take time away from work during normal business hours to obtain routine care. Those without paid sick days are also 2.5 times more likely to seek emergency room care for their children or other relatives.¹⁴ These expensive emergency trips end up replacing routine medical appointments and preventive care, leading to higher health insurance premiums for businesses.

Studies of jurisdictions with paid sick days laws confirm that these laws have been beneficial and relatively easy for businesses to implement. In jurisdictions with paid sick days laws in effect, the majority of employers say they are supportive of the law and many did not need to change their policies to be in compliance. Almost two years after New York City's strong paid sick days law took effect, 86 percent of employers expressed support for it.¹⁵ And in San Francisco, more than three years after the city passed its law, more than two-thirds of employers expressed support for paid sick days.¹⁶

Employers in paid sick days jurisdictions have seen increased growth and reported no negative impact on profitability. A few years after Connecticut's paid sick days law took effect, a study found that the vast majority of employers saw minimal effects on cost and made no changes such as increased prices or reduction in employee hours.¹⁷ In Seattle, employer growth was significantly stronger than in Bellevue, Tacoma and Everett combined in the year following implementation of its paid sick days law.¹⁸ And San Francisco experienced higher rates of job and business growth than neighboring counties after its paid sick days law took effect, including in the sectors most impacted by the law.¹⁹

Paid sick days don't just benefit individual employees and employers – they benefit the entire community. In cities with paid sick days laws, economic growth is a recurrent outcome. Nearly two years after New York implemented its paid sick days law, the number of businesses grew, consumer prices fell, labor participation was the highest on record, and unemployment was at its lowest in six years.²⁰ In

¹³ Stoddard-Dare, P., DeRigne, L., Mallett, C., & Quinn, L. (2018, March). How does paid sick leave relate to health care affordability and poverty among US workers? *Social Work in Health Care*, 57(5), 376-392, DOI: 10.1080/00981389.2018.1447532

¹⁴ Smith, T. W., & Kim, J. (2010, June). *Paid Sick Days: Attitudes and Experiences*. National Opinion Research Center at the University of Chicago for the Public Welfare Foundation Publication. Retrieved 7 March 2023, from National Partnership for Women & Families website: <http://www.nationalpartnership.org/research-library/work-family/psd/paid-sick-days-attitudes-and-experiences.pdf>

¹⁵ Appelbaum, E. & Milkman, R. (2016, September). *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*. Retrieved 7 March 2023, from Center for Economic and Policy Research website: <http://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>

¹⁶ Drago, R., & Lovell, V. (2011, February). *San Francisco's Paid Sick Leave Ordinance: Outcomes for Employers and Employees*. Retrieved 7 March 2023, from Institute for Women's Policy Research website: https://iwpr.org/wp-content/uploads/2021/02/A138_edited.pdf

¹⁷ Appelbaum, E., Milkman, R., Elliott, L., & Kroeger, T. (2014, February 21). *Good for Business? Connecticut's Paid Sick Leave Law*. Retrieved 7 March 2023, from Center for Economic and Policy Research website: <http://cepr.net/documents/good-for-buisness-2014-02-21.pdf>

¹⁸ Romich, J., Bignell, W., Brazg, T., Johnson, C., Mar, C., Morton, J., & Song, C. (2014, April 23). *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*. University of Washington Publication. Retrieved 7 March 2023, from <http://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportwAppendices.pdf>

¹⁹ Miller, K., & Benatar, S. (2011, September 1). *San Francisco Employment Growth Remains Stronger with Paid Sick Days Law Than Surrounding Counties*. Retrieved 7 March 2023, from Institute for Women's Policy Research website: <https://iwpr.org/wp-content/uploads/2021/01/C385.pdf>

²⁰ New York City Department of Consumer Affairs (2015, June). *NYC's Paid Sick Leave Law: First Year Milestones*. Retrieved 7 March 2023, from: <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>

Seattle, the number of employees and total wages in the city increased, and no negative impact on the economy was reported.²¹

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S.B. 1178 is an opportunity for Connecticut to demonstrate the same kind of leadership and forward thinking that made it a trailblazer for paid sick days over a decade ago. We respectfully urge a favorable report on the bill, and stand at the ready to provide information on why S.B. 1178 is a win for businesses, workers and the entire state. If you have any questions about this testimony, please contact Sharita Gruberg, Vice President for Economic Justice (sgruberg@nationalpartnership.edu) or Vasu Reddy, Senior Policy Counsel for Economic Justice (vreddy@nationalpartnership.edu) at the National Partnership for Women & Families.

²¹ See note 18.